

Message Text

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PAGE 01 ISLAMA 02474 131019Z

44

ACTION NEA-12

INFO OCT-01 ISO-00 SPC-03 AID-20 EB-11 NSC-07 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 L-03 H-03 PA-04 PRS-01 USIA-15 AGR-20 DRC-01

/173 W

----- 080809

R 130944Z MAR 74

FM AMEMBASSY ISLAMABAD

TO SECSTATE WASHDC 3751

INFO AMCONSUL KARACHI

AMCONSUL LAHORE

LIMITED OFFICIAL USE ISLAMABAD 2474

E.O. 11652: 11652: N/A

TAGS: EFIN, PK

SUBJ: POSSIBLE COMMERCIAL BANK LOANS TO PAKISTAN

REF: ISLAMABAD 2416

1. MARCH 13 MESSRS. KLEIN AND LEVINE, OF CHASE-MANHATTAN, GAVE EMBOFF FOLLOWING ACCOUNT OF THEIR MEETING EARLIER SAME DAY WITH GOP FINANCE SEC-GEN A.G. N. KAZI. THEY STATED THAT ESSENTIALLY MEETING CONSISTED OF BARGAINING OVER TERMS OF PROPOSED \$50 MILLION 3-YEAR LOAN BY CHASE-MANHATTAN TO GOP. NEXT MEETING WITH KAZI IS SCHEDULED FOR FRIDAY, MARCH 14. LEVINE AND KLEIN TOLD EMBOFF THAT THEY ARE CONSIDERING CALLING GOP JOINT FINANCE SEC. SIRAJ YOUSAF KHAN WHO WAS ALSO PRESENT AT MEETING WITH KAZI TO STATE THAT THEY ARE NOT PREPARED TO REMAIN IN PAKISTAN AFTER MARCH 15. THEY ADDED THAT THEY BELIEVED THAT THE GOP NEGOTIATORS ARE "PLAYING A STALLING GAME" IN HOPES OF SECURING BETTER TERMS.

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PAGE 02 ISLAMA 02474 131019Z

2. EMBOFF COMMENTED THAT POSSIBLY GOP MIGHT WISH TO

DELAY ANY COMMERCIAL LOAN UNTIL AFTER DEBT RESCHEDULING IS CONSIDERED AT MAY CONSORTIUM MEETING. KLEIN AND LEVINE REPLIED THAT THEY FELT SUCH WAS DEFINITELY NOT THE CASE AS KAZI INDICATED THAT HE WAS PREPARED TO SIGN LOAN AGREEMENT IMMEDIATELY PROVIDED CHASE-MANHATTAN WOULD MODIFY CERTAIN PROVISIONS OF PROPOSED LOAN.

3. IN DISCUSSION OF FIRST BOSTON \$90 MILLION LOAN DESCRIBED REFTEL LEVINE STATED THAT FIRST BOSTON, IN ITS OFFER OF PARTICIPATION TO CHASE MANHATTAN, HAD DESCRIBED LOAN IN SUCH MATTER THAT THEY WOULD HAVE HAD TO HAVE REACHED A FIRM AGREEMENT ON TERMS WITH GOP.
BYROADE

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Message Attributes

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30 JUN 2005

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